



PROJECT SUMMARY

Introduction

In its present status, the project branded “Stone’s Throw” represents the four year efforts of a dedicated project team and best-in-class consultants. Originally targeted because of its superlative access to local transportation systems, proximity to Minnesota’s population center and nationally recognized traffic profile, it was the goal of the developer to assemble the largest track of commercial land within a twenty mile radius of downtown Minneapolis, the center of population for the state of Minnesota. This goal has been realized in Stone’s Throw. At millions of dollars in expense in development costs and lobbying efforts, with the associated fiscal, traffic and feasibility studies, the tireless dedication to governmental approvals has molded one of Minnesota’s final prime development tracts from disparate farm parcels to an approved and municipally endorsed lifestyle development complete with a fully sited federal interchange.

The Project

Stone’s Throw is located in the Northwest quadrant of the Twin Cities area of Minneapolis and St. Paul, Minnesota. Specifically, the project is located on the south side of Interstate 94 (I-94) and State Highway 101 just east of Rogers, Minnesota. The project borders the cities of Maple Grove, Corcoran, Dayton and Rogers and the Town of Hassan and represents the largest portion of the land remaining between the cities of Maple Grove and Rogers. The project is located along I-94 in the fastest growing corridor in the state and third fastest growing in the country. The project is designed as a 628 acre mixed use development primarily composed of residential housing units, a significant retail component, as well as hospitality.

Representatives of the Federal Highway Administration, MnDOT, Hennepin County and elected representatives from the five local municipalities have composed a transportation study group. After conducting a two year study, they have recommended the installation of a highway interchange immediately adjacent to the center of the site’s commercial area. The interchange is referred to as the “Brockton Interchange.” Last year the Governor signed into law legislation that will allow the interchange construction to be funded through tax abatement in the Town of Hassan and City of Dayton.

Light rail is sited for the northernmost border of the site on an existing rail line bed.

Vertical Commercial Opportunity

The retail component of this project has drawn significant interest from a variety of national retail developers over the past ten or more years based upon its superior location in the major growth area of the Twin Cities market. The missing component for this site to become viable for major retailers has been the need for an interchange just north of the site to create access from I-94 to State Highway 101. Necessary approvals have now been granted for this new interchange which will now validate the site for a new regional shopping center.

The commercial area of the Stone's Throw development will encompass approximately 126 buildable acres of the total area. The initial phase of the commercial development will be the development of the enclosed regional mall as well as some peripheral development. The mall will be of a somewhat traditional design that will ultimately accommodate four "department store" type or large space users, in addition to upwards of 225,000 square feet of additional "in-line" retail space. In addition to the enclosed mall portion of the commercial area, it is anticipated that ten outlots along the peripheral area of the mall will be developed to accommodate freestanding restaurants, banks, etc. It is also anticipated that on the north side of the commercial area development nearest I-94 there exists an opportunity to develop one or more hotels. This initial phase will encompass approximately 85-90 acres of the commercial area leaving approximately 40 acres for additional commercial development. This site would be compatible for a potential development of office, office showroom or medical space. The initial development would be completed over a period of 30-36 months. The entire development of the commercial area would be completed over a period of 5-7 years.

Developer entered into a purchase agreement with Simon Property Group of Indianapolis, Indiana, which was planning to develop a regional mall on the site. At that time it had several tenants in the Mall of America that wanted an additional location in the northwest quadrant of the state. Developer had a Letter of Intent from Capital Growth Madison Marquette, which was also interested in purchasing the site for the development of a regional mall. There have been several other regional mall developers that looked at the commercial area of the site.

Residential Opportunity

The I-94 corridor from Maple Grove to the City of Saint Cloud is one of the fastest growing corridors in the United States, making the site attractive to residential builders and developers.

Prior to the recent residential downturn, the developer was contacted by several national residential builders and developers with interest in the site. They include Pulte (which has looked at purchasing 400 acres of the site for its Del Webb concept), Newland Communities and Lennar of Minnesota (both of which inquired about purchasing the entire residential portion of the site), Centex Homes of Minnesota, Ryland Homes of Minnesota, D.R. Horton, Mattamy Homes and Woodside Builders, to name a few. Developer has also seen interest from several senior care providers/developers. Interest letters are available upon request.

Interest in the site is not surprising considering that Maple Grove has experienced the largest increase in population and household growth in the seven county Twin Cities Metropolitan market. Developments such as Arbor Lakes and the new hospital site have kept the area in the growth spotlight. The City of Rogers has recently added several high-profile retail uses, including a 185,000 square foot Cabela's (the second busiest attraction in the State of Minnesota after the Mall of America), a Cub Foods Store and a Kohls. A Best Buy and Super Target also recently opened.

The interest in this site will increase as the Brockton interchange progresses, which will be located immediately adjacent to the commercial area of the site.

Project Status

Over half of the assemblage is owned outright by the developer, with the remaining parcels under contract, either under purchase agreement, option agreement or contract for deed. Summaries are provided in Section IV B.

In April, 2009, the majority of the governmental approvals were secured with the project being annexed into the City of Rogers and the City executing the Master Planned Unit Development Agreement.

Sewer and utilities are available from the north via the City of Rogers. As an alternate in the near future, the Metropolitan Council is planning to deliver sewer to the southern portion of the site via the Rush Creek Branch of the Elm Creek interceptor, which is in final design by Met Council's engineers. The trunk line, although not necessary, is expected to be delivered to the site by the end of the year. Both the Town of Hassan and the City of Rogers have enough sewer capacity to serve the subject property. Water will come from Rogers.

Major Project Approvals Attained

Environmental:

- Alternative Urban Area wide Review (accomplished through 38 reviewing entities);
- Wetland Boundary Determination except for the northern Sod Field Areas; and
- Extensive Hydrology Monitoring of Site (88 wells).

Land Entitlements – Overall:

- Annexation of Entire Project Area into the City of Rogers;
- Master Planned Unit Development Agreement;
- Master Development Concept Plan – Town of Hassan/City of Rogers;
- Development Fees Agreement – Executed by Town of Hassan/City of Rogers.

- County Roads – Realignment Fletcher Bypass and Territorial – Hennepin County, Town of Hassan/City of Rogers;
- Town of Hassan Comprehensive Plan Amendment – Comprehensive Plan Amendment for northern fifty-five acres was approved by affected municipalities and the Metropolitan Council; and
- Town of Hassan Comprehensive Plan Update – Plan approved by Hassan Town Board and circulated to surrounding municipalities.

I-94/Brockton Lane Interchange

- Interchange Sited at Project's Commercial Area – As part of the “Northwest Hennepin Sub-regional Transportation Study;” representatives from Federal Highway Administration, MnDot, Hennepin County, Metropolitan Council and elected officials from Rogers, Hassan, Dayton, Corcoran and Maple Grove participated;
- Federal Funding Legislation
 - United States Congressman Erik Paulson has submitted the following federal funding requests: (i) \$800,000 for the Fiscal Year 2010 Appropriations Bill (annual cycle); and (ii) \$10 million from the Reauthorization Bill (available once every six years); and
 - United States Senator Amy Klobuchar has submitted an \$800,000 funding request for the Fiscal Year 2010 Appropriations Bill (annual cycle).
- State Funding Legislation –passed by Minnesota State House and Minnesota State Senate and signed by the Governor.

